



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF
Aetna Health Inc. (a Michigan corporation)

NAIC Group Code 0001 0001 NAIC Company Code 95756 Employer's ID Number 23-2861565
(Current Period) (Prior Period)
Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan Country of Domicile United States
Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized September 10, 1996 Commenced Business April 1, 1998
Statutory Home Office 28588 Northwestern Highway Southfield MI ... US 48034
(Street and Number) (City, State, Country, and Zip Code)
Main Administrative Office 28588 Northwestern Highway
(Street and Number)
..... Southfield MI .. US ... 48034 248-357-7766
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)
Mail Address 28588 Northwestern Highway Southfield MI ... US ... 48034
(Street and Number or P. O. Box) (City, State, Country, and Zip Code)
Primary Location of Books and Records 980 Jolly Road
(Street and Number)
..... Blue Bell PA ... US ... 19422-1904 800-872-3862
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)
Internet Website Address www.aetna.com
Statutory Statement Contact Steven Matthew Conte 215-775-6508
(Name) (Area Code) (Telephone Number) (Extension)
..... Aetna.HMOReporting@aetna.com 860-262-7767
(E-mail Address) (Fax Number)

OFFICERS
OTHER Nitin Bhargava, President # Scott Leland Spradlin, Vice President and Senior Medical Director #
Edward Chung-I Lee, Vice President and Secretary Elaine Rose Cofrancesco, Treasurer
Steven Matthew Conte, Principal Financial Officer Gregory Stephen Martino, Vice President
and Controller Kevin James Casey, Senior Investment Officer
Dawn Marie Schoen, Assistant Controller #

DIRECTORS OR TRUSTEES
Nitin Bhargava # Gregory Stephen Martino Scott Leland Spradlin #

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Nitin Bhargava President	(Signature) Edward Chung-I Lee Vice President and Secretary@	(Signature) Steven Matthew Conte Principal Financial Officer and Controller@
State of..... Illinois County of..... Cook Subscribed and sworn to before me this _____ day of _____ 2016	State of..... Connecticut County of..... Hartford @Subscribed and sworn to before me this _____ day of _____ 2016	State of..... Pennsylvania County of..... Montgomery @@Subscribed and sworn to before me this _____ day of February _____ 2016
NOTARY PUBLIC (Seal)	NOTARY PUBLIC (Seal)	NOTARY PUBLIC (Seal)

- a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number...
2. Date filed
3. Number of pages attached

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,150,132	0	1,150,132	1,150,378
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$....346,957, Schedule E-Part 2) and short-term investments (\$.....959, Schedule DA).....	347,916	0	347,916	357,532
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0	0
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,498,048	0	1,498,048	1,507,910
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	3,320	0	3,320	3,320
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	4,717	0	4,717	0
18.2 Net deferred tax asset.....	0	0	0	0
19. Guaranty funds receivable or on deposit.....	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	2,829
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,506,085	0	1,506,085	1,514,059
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	1,506,085	0	1,506,085	1,514,059
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	.....0	.....0	.....0	.....0
2. Accrued medical incentive pool and bonus amounts.....	.....0	.....0	.....0	.....0
3. Unpaid claims adjustment expenses.....	.....0	.....0	.....0	.....0
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	.....0	.....0	.....0	.....0
5. Aggregate life policy reserves.....	.....0	.....0	.....0	.....0
6. Property/casualty unearned premium reserve.....	.....0	.....0	.....0	.....0
7. Aggregate health claim reserves.....	.....0	.....0	.....0	.....0
8. Premiums received in advance.....	.....0	.....0	.....0	.....0
9. General expenses due or accrued.....	.....0	.....0	.....0	.....0
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	.....0	.....0	.....0	.....380
10.2 Net deferred tax liability.....	.....0	.....0	.....0	.....0
11. Ceded reinsurance premiums payable.....	.....0	.....0	.....0	.....0
12. Amounts withheld or retained for the account of others.....	.....0	.....0	.....0	.....0
13. Remittances and items not allocated.....	.....0	.....0	.....0	.....0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	.....0	.....0	.....0	.....0
15. Amounts due to parent, subsidiaries and affiliates.....	.....770	.....0	.....770	.....0
16. Derivatives.....	.....0	.....0	.....0	.....0
17. Payable for securities.....	.....0	.....0	.....0	.....0
18. Payable for securities lending.....	.....0	.....0	.....0	.....0
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized and \$.....0 certified reinsurers).....	.....0	.....0	.....0	.....0
20. Reinsurance in unauthorized and certified (\$.....0) companies.....	.....0	.....0	.....0	.....0
21. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....0	.....0	.....0	.....0
22. Liability for amounts held under uninsured plans.....	.....0	.....0	.....0	.....0
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	.....0	.....0	.....0	.....0
24. Total liabilities (Lines 1 to 23).....	.....770	.....0	.....770	.....380
25. Aggregate write-ins for special surplus funds.....	.....XXX	.....XXX	.....0	.....0
26. Common capital stock.....	.....XXX	.....XXX	.....10	.....10
27. Preferred capital stock.....	.....XXX	.....XXX	.....0	.....0
28. Gross paid in and contributed surplus.....	.....XXX	.....XXX	.....8,599,990	.....8,599,990
29. Surplus notes.....	.....XXX	.....XXX	.....0	.....0
30. Aggregate write-ins for other than special surplus funds.....	.....XXX	.....XXX	.....0	.....0
31. Unassigned funds (surplus).....	.....XXX	.....XXX	.....(7,094,685)	.....(7,086,321)
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	.....XXX	.....XXX	.....0	.....0
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	.....XXX	.....XXX	.....0	.....0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	.....XXX	.....XXX	.....1,505,315	.....1,513,679
34. Total liabilities, capital and surplus (Lines 24 and 33).....	.....XXX	.....XXX	.....1,506,085	.....1,514,059

DETAILS OF WRITE-INS

2301. ....	.....0	.....0	.....0	.....0
2302. ....	.....0	.....0	.....0	.....0
2303. ....	.....0	.....0	.....0	.....0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.....0	.....0	.....0	.....0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.....0	.....0	.....0	.....0
2501. ....	.....XXX	.....XXX	.....0	.....0
2502. ....	.....XXX	.....XXX	.....0	.....0
2503. ....	.....XXX	.....XXX	.....0	.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....XXX	.....XXX	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....XXX	.....XXX	.....0	.....0
3001. ....	.....XXX	.....XXX	.....0	.....0
3002. ....	.....XXX	.....XXX	.....0	.....0
3003. ....	.....XXX	.....XXX	.....0	.....0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	.....XXX	.....XXX	.....0	.....0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	.....XXX	.....XXX	.....0	.....0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	.....0	.....0
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	.....0	.....0
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....0	.....0
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....0	.....0
5. Risk revenue.....	XXX.....	.....0	.....0
6. Aggregate write-ins for other health care related revenues.....	XXX.....	.....0	.....0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.....0	.....0
8. Total revenues (Lines 2 to 7).....	XXX.....	.....0	.....0
Hospital and Medical:			
9. Hospital/medical benefits.....	.....0	.....0	.....0
10. Other professional services.....	.....0	.....0	.....0
11. Outside referrals.....	.....0	.....0	.....0
12. Emergency room and out-of-area.....	.....0	.....0	.....0
13. Prescription drugs.....	.....0	.....0	.....0
14. Aggregate write-ins for other hospital and medical.....	.....0	.....0	.....0
15. Incentive pool, withhold adjustments and bonus amounts.....	.....0	.....0	.....0
16. Subtotal (Lines 9 to 15).....	.....0	.....0	.....0
Less:			
17. Net reinsurance recoveries.....	.....0	.....0	.....0
18. Total hospital and medical (Lines 16 minus 17).....	.....0	.....0	.....0
19. Non-health claims (net).....	.....0	.....0	.....0
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....	.....0	.....0	.....0
21. General administrative expenses.....	.....0	19,655	5,054
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....	.....0	.....0	.....0
23. Total underwriting deductions (Lines 18 through 22).....	.....0	19,655	5,054
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	(19,655)	(5,054)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....0	6,981	8,850
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....	.....0	(1)	(5)
27. Net investment gains or (losses) (Lines 25 plus 26).....	.....0	6,980	8,845
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....0	.....0	.....0
29. Aggregate write-ins for other income or expenses.....	.....0	(126)	.....0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	(12,801)	3,791
31. Federal and foreign income taxes incurred.....	XXX.....	(4,437)	1,330
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	(8,364)	2,461
DETAILS OF WRITE-INS			
0601.	XXX.....	.....0	.....0
0602.	XXX.....	.....0	.....0
0603.	XXX.....	.....0	.....0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	.....0	.....0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	.....0	.....0
0701.	XXX.....	.....0	.....0
0702.	XXX.....	.....0	.....0
0703.	XXX.....	.....0	.....0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.....0	.....0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	.....0	.....0
1401. ....	.....0	.....0	.....0
1402. ....	.....0	.....0	.....0
1403. ....	.....0	.....0	.....0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.....0	.....0	.....0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.....0	.....0	.....0
2901. Regulatory Fine.....	.....0	(126)	.....0
2902. ....	.....0	.....0	.....0
2903. ....	.....0	.....0	.....0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.....0	.....0	.....0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.....0	(126)	.....0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	1,513,679	3,811,218
34. Net income or (loss) from Line 32.....	(8,364)	2,461
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	0	0
39. Change in nonadmitted assets.....	0	0
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	0	(2,300,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(8,364)	(2,297,539)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	1,505,315	1,513,679

DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	0	0
2. Net investment income.....	7,227	9,094
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	7,227	9,094
5. Benefit and loss related payments.....	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	19,781	5,054
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	660	(2,260)
10. Total (Lines 5 through 9).....	20,441	2,794
11. Net cash from operations (Line 4 minus Line 10).....	(13,214)	6,300
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	0	0
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(1)	(7)
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	(1)	(7)
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	0
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1)	(7)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	2,300,000
16.6 Other cash provided (applied).....	3,599	(10,506)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	3,599	(2,310,506)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(9,616)	(2,304,213)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	357,532	2,661,745
19.2 End of year (Line 18 plus Line 19.1).....	347,916	357,532
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	0	0	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit.....	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$.....0 medical expenses).....	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue.....	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits.....	0	0	0	0	0	0	0	0	0	XXX
9. Other professional services.....	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals.....	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area.....	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs.....	0	0	0	0	0	0	0	0	0	XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0	0	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14).....	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries.....	0	0	0	0	0	0	0	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16).....	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$.....,0 cost containment expenses.....	0	0	0	0	0	0	0	0	0	0
20. General administrative expenses.....	19,655	19,655	0	0	0	0	0	0	0	0
21. Increase in reserves for accident and health contracts.....	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22).....	19,655	19,655	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	(19,655)	(19,655)	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

[illegible]

Underwriting and Investment Ex. - Pt. 1 - Premiums
NONE

Underwriting and Investment Ex. - Pt. 2 - Claims Incurred During the Year
NONE

Underwriting and Investment Ex. - Pt. 2A - Claims Liability End of Current Year
NONE

Underwriting and Investment Ex. - Pt. 2B - Analysis of Claims Unpaid Prior Year
NONE

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	.....0	.....0	.....0	.....0	.....0
2. 2011.....	.....0	.....(2)	.....(2)	.....(2)	.....(2)
3. 2012.....	.....XXX	.....0	.....0	.....0	.....0
4. 2013.....	.....XXX	.....XXX	.....0	.....0	.....0
5. 2014.....	.....XXX	.....XXX	.....XXX	.....0	.....0
6. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....0

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	.....(3)	.....(3)	.....(3)	.....(3)	.....0
2. 2011.....	.....0	.....(2)	.....(2)	.....(2)	.....(2)
3. 2012.....	.....XXX	.....0	.....0	.....0	.....0
4. 2013.....	.....XXX	.....XXX	.....0	.....0	.....0
5. 2014.....	.....XXX	.....XXX	.....XXX	.....0	.....0
6. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....0

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011.....	.....0	.....(2)	.....0	.....0.0	.....(2)	.....0.0	.....0	.....0	.....(2)	.....0.0
2. 2012.....	.....0	.....0	.....0	.....0.0	.....0	.....0.0	.....0	.....0	.....0	.....0.0
3. 2013.....	.....0	.....0	.....0	.....0.0	.....0	.....0.0	.....0	.....0	.....0	.....0.0
4. 2014.....	.....0	.....0	.....0	.....0.0	.....0	.....0.0	.....0	.....0	.....0	.....0.0
5. 2015.....	.....0	.....0	.....0	.....0.0	.....0	.....0.0	.....0	.....0	.....0	.....0.0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	0	0	0	0	0
2. 2011.....	0	(2)	(2)	(2)	(2)
3. 2012.....	XXX	0	0	0	0
4. 2013.....	XXX	XXX	0	0	0
5. 2014.....	XXX	XXX	XXX	0	0
6. 2015.....	XXX	XXX	XXX	XXX	0

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	(3)	(3)	(3)	(3)	0
2. 2011.....	0	(2)	(2)	(2)	(2)
3. 2012.....	XXX	0	0	0	0
4. 2013.....	XXX	XXX	0	0	0
5. 2014.....	XXX	XXX	XXX	0	0
6. 2015.....	XXX	XXX	XXX	XXX	0

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011.....	0	(2)	0	0.0	(2)	0.0	0	0	(2)	0.0
2. 2012.....	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2013.....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2014.....	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2015.....	0	0	0	0.0	0	0.0	0	0	0	0.0

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only
NONE

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....	.....0	.....0	.....0	.....0	.....0
2. Salaries, wages and other benefits.....	.....0	.....0	.....0	.....0	.....0
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	.....0	.....0	.....0	.....0	.....0
4. Legal fees and expenses.....	.....0	.....0	.....0	.....0	.....0
5. Certifications and accreditation fees.....	.....0	.....0	.....0	.....0	.....0
6. Auditing, actuarial and other consulting services.....	.....0	.....0	.....0	.....0	.....0
7. Traveling expenses.....	.....0	.....0	.....0	.....0	.....0
8. Marketing and advertising.....	.....0	.....0	.....0	.....0	.....0
9. Postage, express and telephone.....	.....0	.....0	.....0	.....0	.....0
10. Printing and office supplies.....	.....0	.....0	.....423	.....0	.....423
11. Occupancy, depreciation and amortization.....	.....0	.....0	.....0	.....0	.....0
12. Equipment.....	.....0	.....0	.....0	.....0	.....0
13. Cost or depreciation of EDP equipment and software.....	.....0	.....0	.....0	.....0	.....0
14. Outsourced services including EDP, claims, and other services.....	.....0	.....0	.....15,016	.....0	.....15,016
15. Boards, bureaus and association fees.....	.....0	.....0	.....0	.....0	.....0
16. Insurance, except on real estate.....	.....0	.....0	.....0	.....0	.....0
17. Collection and bank service charges.....	.....0	.....0	.....0	.....0	.....0
18. Group service and administration fees.....	.....0	.....0	.....0	.....0	.....0
19. Reimbursements by uninsured plans.....	.....0	.....0	.....0	.....0	.....0
20. Reimbursements from fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0
21. Real estate expenses.....	.....0	.....0	.....0	.....0	.....0
22. Real estate taxes.....	.....0	.....0	.....0	.....0	.....0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	.....0	.....0	.....0	.....0	.....0
23.2 State premium taxes.....	.....0	.....0	.....0	.....0	.....0
23.3 Regulatory authority licenses and fees.....	.....0	.....0	.....250	.....0	.....250
23.4 Payroll taxes.....	.....0	.....0	.....0	.....0	.....0
23.5 Other (excluding federal income and real estate taxes).....	.....0	.....0	.....3,957	.....0	.....3,957
24. Investment expenses not included elsewhere.....	.....0	.....0	.....0	.....0	.....0
25. Aggregate write-ins for expenses.....	.....0	.....0	.....9	.....0	.....9
26. Total expenses incurred (Lines 1 to 25).....	.....0	.....0	.....19,655	.....0	(a).....19,655
27. Less expenses unpaid December 31, current year.....	.....0	.....0	.....0	.....0	.....0
28. Add expenses unpaid December 31, prior year.....	.....0	.....0	.....0	.....0	.....0
29. Amounts receivable relating to uninsured plans, prior year.....	.....0	.....0	.....0	.....0	.....0
30. Amounts receivable relating to uninsured plans, current year.....	.....0	.....0	.....0	.....0	.....0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	.....0	.....0	.....19,655	.....0	.....19,655

DETAILS OF WRITE-INS

2501. Intercompany Interest.....	.....0	.....0	.....9	.....0	.....9
2502. ....	.....0	.....0	.....0	.....0	.....0
2503. ....	.....0	.....0	.....0	.....0	.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0	.....0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	.....0	.....9	.....0	.....9

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....6,942	.....6,942
1.1 Bonds exempt from U.S. tax.....	(a)......0	......0
1.2 Other bonds (unaffiliated).....	(a)......0	......0
1.3 Bonds of affiliates.....	(a)......0	......0
2.1 Preferred stocks (unaffiliated).....	(b)......0	......0
2.11 Preferred stocks of affiliates.....	(b)......0	......0
2.2 Common stocks (unaffiliated).....	......0	......0
2.21 Common stocks of affiliates.....	......0	......0
3. Mortgage loans.....	(c)......0	......0
4. Real estate.....	(d)......0	......0
5. Contract loans.....	......0	......0
6. Cash, cash equivalents and short-term investments.....	(e).....36	.....36
7. Derivative instruments.....	(f)......0	......0
8. Other invested assets.....	......0	......0
9. Aggregate write-ins for investment income.....	.....3	.....3
10. Total gross investment income.....	.....6,981	.....6,981
11. Investment expenses.....		(g)......0
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g)......0
13. Interest expense.....		(h)......0
14. Depreciation on real estate and other invested assets.....		(i)......0
15. Aggregate write-ins for deductions from investment income.....		......0
16. Total deductions (Lines 11 through 15).....		......0
17. Net investment income (Line 10 minus Line 16).....		.....6,981

DETAILS OF WRITE-INS		
0901. Intercompany Interest.....	.....3	.....3
0902. ....	.....0	.....0
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....3	.....3
1501. ....		.....0
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0
(a) Includes \$.0 accrual of discount less \$.246 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(b) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued dividends on purchases.		
(c) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(d) Includes \$.0 for company's occupancy of its own buildings; and excludes \$.0 interest on encumbrances.		
(e) Includes \$.36 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(f) Includes \$.0 accrual of discount less \$.0 amortization of premium.		
(g) Includes \$.0 investment expenses and \$.0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.		
(h) Includes \$.0 interest on surplus notes and \$.0 interest on capital notes.		
(i) Includes \$.0 depreciation on real estate and \$.0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....0	.....0	.....0	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....(1)	.....0	.....(1)	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(1)	.....0	.....(1)	.....0	.....0
DETAILS OF WRITE-INS					
0901. ....	.....0	.....0	.....0	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

Ex. of Nonadmitted Assets
NONE

Ex. 1 - Enrollment by Product Type for Health Business Only
NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies and going concern

A. Accounting practices

The accompanying statutory financial statements of Aetna Health Inc. (a Michigan corporation) (the “Company”), indirectly a wholly-owned subsidiary of Aetna Inc. (“Aetna”), have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (“Michigan Department”) (“Michigan Accounting Practices”). The Michigan Department recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”).

A reconciliation of the Company’s net (loss) income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan for the years ending December 31, 2015 and 2014 is as follows:

	State of Domicile	December 31, 2015	December 31, 2014
Net (loss) income (derived using Michigan Accounting Practices)	MI	\$(8,364)	\$2,461
State of Michigan Prescribed Practices: None	MI	-	-
State of Michigan Permitted Practices: None	MI	-	-
Net (loss) income (derived using NAIC SAP)		\$(8,364)	\$2,461
Capital and surplus (derived using Michigan Accounting Practices)	MI	\$1,505,315	\$1,513,679
State of Michigan Prescribed Practices: None	MI	-	-
State of Michigan Permitted Practices: None	MI	-	-
Capital and surplus (derived using NAIC SAP)		\$1,505,315	\$1,513,679

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Michigan Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix

pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2015 and 2014. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

- (3) The Company did not own any common stock at December 31, 2015 or 2014.
- (4) The Company did not own any preferred stock at December 31, 2015 or 2014.
- (5) The Company did not have any mortgage loans at December 31, 2015 or 2014.
- (6) Securities lending

The Company engages in securities lending by lending certain securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of a loaned security. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to Statements of Statutory Accounting Principles ("SSAP") No. 103 - *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's balance sheet as both a receivable and payable. Also pursuant to SSAP No. 103, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty. The Company did not have any loaned securities at December 31, 2015 or 2014.

- (7) The Company did not have any investments in any subsidiaries or affiliated companies at December 31, 2015 or 2014.
- (8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2015 or 2014.
- (9) The Company did not have any derivatives at December 31, 2015 or 2014.

(10) Aggregate health policy reserves and related expenses

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2015 or 2014.

(11) Hospital and medical costs and claims adjustment expenses and related reserves

As explained more fully in Note 4, the Company has withdrawn from the market effective December 31, 2007. The Company did not have any hospital and medical costs for the years ended December 31, 2015 and 2014.

(12) The Company did not modify its capitalization policy from the prior period.

(13) The Company did not have any pharmaceutical rebates receivables at December 31, 2015 or 2014.

(14) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2015 and 2014, the Company did not have any nonadmitted investment income due and accrued.

(15) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to SSAP No. 107 – *Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107") and INT 15-01: ACA Risk Corridors Collectibility ("INT 15-01")

Reinsurance

Health Care Reform established a temporary reinsurance program that expires at the end of 2016. Under this program, all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). A portion of the funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary risk sharing program, which expires at the end of 2016, for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate risk sharing amount for the current calendar year. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. In November 2015, INT 15-01 was issued as guidance to address the accounting for risk corridor receivables. In conjunction with this guidance, the Company recorded a risk corridor receivable that coincides with the portion of the 2014 Health Care Reform risk corridor receivables that are considered collectible. The Company currently has not recorded any risk corridor receivables for the 2015 program year.

The Company expects to perform an annual final reconciliation and settlement with HHS of the 3Rs in each subsequent year. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the periods ending December 31, 2015 and 2014.

(16) Federal and state income taxes

The Company is included in the consolidated federal income tax return of its parent company, Aetna and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101 - *Income Taxes* ("SSAP No. 101"). DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

- a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.
- b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

- c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The Company did not incur any state income tax expense (benefit) for the years ended December 31, 2015 and 2014.

D. Going concern

Effective December 31, 2016, the Company will adopt amended accounting guidance related to management's evaluation of whether there is a substantial doubt about the entity's ability to continue as a going concern and the related disclosures and will make disclosures at that time and thereafter pursuant to the guidance.

2. Accounting changes and corrections of errors

The Company did not have any accounting changes or corrections of errors in the years ended December 31, 2015 and 2014.

3. Business combinations and goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, an assumption reinsurance, or an impairment loss in the years ending December 31, 2015 and 2014.

4. Discontinued operations

The Company has withdrawn from the market effective December 31, 2007. The Company provided such information to the Michigan Department of Insurance and Financial Services on November 7, 2006 pursuant to M.C.L.A. Section 500.3712. The Company continues to hold an active license in the State of Michigan and continues to hold assets in the State of Michigan to meet state requirements.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2015 or 2014.

B. The Company did not have any debt restructuring in the years ending December 31, 2015 and 2014.

C. The Company did not have any reverse mortgages at December 31, 2015 or 2014.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no OTTI losses during 2015 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R - *Loan-Backed and Structured Securities*.

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at December 31, 2015.

(4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2015.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2015.

(2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2015.

(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2015.

(4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2015.

(5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2015.

(6) The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge as of December 31, 2015.

(7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any real estate at December 31, 2015 or 2014.

G. The Company did not have any low-income housing tax credits at December 31, 2015.

H. Restricted Assets

(1) Restricted assets (including pledged):

Restricted Asset Category	1	2	3	4	5	6
	Total gross restricted from current year	Total gross restricted from prior year	Increase (decrease) (1 minus 2)	Total current year admitted restricted	Percentage gross restricted to total assets	Percentage admitted restricted to total admitted assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	\$1,150,132	\$1,150,378	\$(246)	\$1,150,132	76.366%	76.366%
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total restricted assets	\$1,150,132	\$1,150,378	\$(246)	\$1,150,132	76.366%	76.366%

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2015.

(3) The Company did not have any other restricted assets at December 31, 2015.

- I. The Company did not have any working capital finance investments at December 31, 2015.
- J. The Company did not have any offsetting and netting of financial assets or liabilities as of December 31, 2015.
- K. The Company did not have any structured notes at December 31, 2015.

6. Joint ventures, partnerships, and limited liability companies

- A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2015 or 2014.
- B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2015 or 2014.

7. Investment income

A. and B.

There was no investment income due and accrued excluded from surplus at December 31, 2015 or 2014.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2015 or 2014.

9. Income taxes

A.

- 1. The components of the net DTAs recognized in the Company's Statutory Statements of Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2015		
	Ordinary	Capital	Total
(a) Gross DTAs	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Adjusted gross DTAs	-	-	-
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	-	-	-
(f) DTLs	-	-	-
(g) Net admitted DTAs/(DTLs)	-	-	-

	December 31, 2014		
	Ordinary	Capital	Total
(a) Gross DTAs	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Adjusted gross DTAs	-	-	-
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	-	-	-
(f) DTLs	-	-	-
(g) Net admitted DTAs/(DTLs)	-	-	-

	Change		
	Ordinary	Capital	Total
(a) Gross DTAs	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Adjusted gross DTAs	-	-	-
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	-	-	-
(f) DTLs	-	-	-
(g) Net admitted DTAs/(DTLs)	-	-	-

2. The amount of admitted gross DTAs admitted under each component of SSAP No. 101:

December 31, 2015			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	\$225,797
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP No. 101	-	-	-
December 31, 2014			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	\$227,052
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP No. 101	-	-	-
Change			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	\$(1,255)
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP No. 101	-	-	-

3.

	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	26,102%	25,924%
(b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	\$1,505,315	\$1,513,679

4. The impact of tax planning strategies is as follows:

December 31, 2015			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	-	-	-
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	-	-	-
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

December 31, 2014			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	-	-	-
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	-	-	-
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

Change			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	-	-	-
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	-	-	-
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ☐ No ☒

B. There are no DTLs that were not recognized at December 31, 2015 or 2014.

C. Current income taxes incurred consist of the following major components:

December 31,			
	2015	2014	Change
1. Current income tax			
(a) Federal	\$(4,437)	\$1,330	\$(5,767)
(b) Foreign	-	-	-
(c) Subtotal	(4,437)	1,330	(5,767)
(d) Federal income tax on net capital gains	-	(2)	2
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$(4,437)	\$1,328	\$(5,765)

	December 31,		
	2015	2014	Change
2. DTAs:			
(a) Ordinary	-	-	-
Total ordinary DTAs	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	-	-	-
(d) Admitted ordinary DTAs	-	-	-
(e) Capital			
Investments	-	-	-
Total capital DTAs	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	-	-	-
3. DTLs:			
(a) Ordinary	-	-	-
Ordinary DTLs	-	-	-
(b) Capital			
Investments	-	-	-
Capital DTLs	-	-	-
(c) Total DTLs	-	-	-
4. Net admitted DTAs	-	-	-

The change in net deferred income taxes is comprised of the following:

	December 31,		
	2015	2014	Change
Total DTAs	-	-	-
Total DTLs	-	-	-
Net DTAs/(DTLs)	-	-	-
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			-

The valuation allowance adjustment to gross DTAs was \$0 for both December 31, 2015 and 2014.

D. The (benefit) provision for federal income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference were as follows:

	December 31, 2015	Effective tax rate	December 31, 2014	Effective tax rate
(Benefit) provision computed at statutory rate	\$(4,481)	35.0%	\$1,330	35.0%
Other permanent items	44	(0.3)%	-	0.0%
Total	\$(4,437)	34.7%	\$1,330	35.0%
Federal and foreign income tax (benefit) expense incurred	\$(4,437)	34.7%	\$1,330	35.0%
Change in net deferred income taxes	-	0.0%	-	0.0%
Total statutory income taxes	\$(4,437)	34.7%	\$1,330	35.0%

E.

- At December 31, 2015, the Company had no net capital loss or net operating loss carryforwards for tax purposes.
- There are no federal income taxes incurred that are available for recoupment in the event of future net losses for the year ended December 31, 2015. The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is \$1,326 for the year ended December 31, 2014.

3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2015 and 2014.

F.

1. At December 31, 2015, the Company's Federal Income Tax Return was consolidated with the following entities:

- | | |
|--|---|
| Aetna Inc. - Parent Company
@ Credentials Inc.
Active Health Management Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen Incorporated
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Florida)
Aetna Better Health Inc. (Georgia)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (New Jersey)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Better Health Inc. (Tennessee)
Aetna Better Health of California Inc.
Aetna Better Health of Iowa Inc.
Aetna Better Health of Kentucky Insurance Company
Aetna Better Health of Michigan Inc.
Aetna Better Health of Missouri LLC
Aetna Better Health of Texas Inc.
Aetna Better Health, Inc. (Louisiana)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Health and Life Insurance Company
Aetna Health Finance, Inc.
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Iowa)
Aetna Health Inc. (Louisiana)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)
Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California Inc.
Aetna Health of Utah Inc.
Aetna HealthAssurance Pennsylvania Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.
Aetna Ireland Inc.
Aetna Life & Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Assurance Company of Connecticut, Inc.
Aetna Risk Indemnity Company Limited
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
American Health Holding, Inc.
AUSHC Holdings, Inc.
Broadspire National Services, Inc.
bSwift, LLC
Cambridge Life Insurance Company
Carefree Insurance Services, Inc.
Chickering Claims Administrators, Inc.
Claims Administration Corp. | Cofinity, Inc.
Corporate Benefit Strategies, Inc.
Coventry Consumer Advantage, Inc.
Coventry Financial Management Services, Inc.
Coventry Health and Life Insurance Company
Coventry Health Care National Accounts, Inc.
Coventry Health Care National Network, Inc.
Coventry Health Care of Delaware, Inc.
Coventry Health Care of Florida, Inc.
Coventry Health Care of Georgia, Inc.
Coventry Health Care of Illinois, Inc.
Coventry Health Care of Kansas, Inc.
Coventry Health Care of Missouri, Inc.
Coventry Health Care of Nebraska, Inc.
Coventry Health Care of Pennsylvania, Inc.
Coventry Health Care of Texas, Inc.
Coventry Health Care of the Carolinas, Inc.
Coventry Health Care of Virginia, Inc.
Coventry Health Care of West Virginia, Inc.
Coventry Health Care Workers Compensation, Inc.
Coventry Health Plan of Florida, Inc.
Coventry HealthCare Management Corporation
Coventry Prescription Management Services, Inc.
Coventry Rehabilitation Services, Inc.
Coventry Transplant Network, Inc.
Delaware Physicians Care, Incorporated
Echo Merger Sub, Inc.
First Health Group Corp.
First Health Life and Health Insurance Company
First Script Network Services, Inc.
Florida Health Plan Administrators, LLC
FOCUS Healthcare Management, Inc.
Group Dental Service of Maryland, Inc.
Group Dental Service, Inc.
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.
Health Re, Incorporated
HealthAmerica Pennsylvania, Inc.
HealthAssurance Financial Services, Inc.
HealthAssurance Pennsylvania, Inc.
Managed Care Coordinators, Inc.
Medicity Inc.
Mental Health Associates, Inc.
Mental Health Network of New York IPA, Inc.
Meritain Health, Inc.
MetraComp, Inc.
MHNet Life and Health Insurance Co.
MHNet of Florida, Inc.
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.
Resources for Living, LLC
Schaller Anderson Medical Administrators, Incorporated
Strategic Resource Company
The Vasquez Group Inc.
U.S. Health Care Properties, Inc.
Work and Family Benefits, Inc. |
|--|---|

2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

- G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information concerning Parent, subsidiaries, affiliates, and other related parties

A., B. and C.

The Company did not pay any dividends in 2015. The Company paid \$2,300,000 as an extraordinary dividend to its parent on May 28, 2014. The Michigan Department approved this distribution on May 14, 2014. The Company did not receive any capital contributions in 2015 and 2014.

- D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2015 and 2014, the Company reported \$(770) and \$2,829, respectively, as amounts due (to) from AHM related to this agreement.

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

- E. At December 31, 2015, the Company did not have any guarantees or undertakings with its affiliates or parent company.

- F. As of and for the years ended December 31, 2015 and 2014, the Company had the following significant transactions with affiliates:

The Company and Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna, are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The Company had no expenses under this agreement in 2015 and 2014 as it earned no premium revenue. This agreement also provides for interest on all intercompany balances. The Company had no material interest earned or incurred on amounts due from affiliates in 2015 and 2014.

The Company is a party to an agreement that enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits 10% of its earned pharmaceutical rebates to AHM as a fee. The Company had no earned pharmacy rebates in 2015 and 2014. The Company did not incur pharmaceutical rebate fees in 2015 and 2014. At December 31, 2015 and 2014, the Company did not have amounts due from AHM related to pharmaceutical rebates. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70 - *Allocation of Expenses* ("SSAP No. 70"). SSAP No. 70 states "shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios." The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company has coverage for certain litigation exposures (\$10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

The Company has an insolvency agreement with Aetna Health Insurance Company ("AHIC"), a wholly-owned subsidiary of Aetna. This agreement provides that in the event that the Company ceases operations or becomes insolvent, AHIC will continue to pay benefits for any members confined as inpatients on the date of insolvency until their discharge. This agreement also provides that AHIC will continue benefits for any member until the end of the contract period for which premium has been paid, but for no longer than thirty-one days. AHIC will also make available to members, for a period of thirty-one days, replacement insurance policies.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables/payables are due from/due to Aetna.

- G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

- H. At December 31, 2015, the Company did not hold any investments in any affiliate and did not own shares of any upstream intermediate of Aetna.
- I. At December 31, 2015, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity.
- J. At December 31, 2015, the Company did not hold any investments in any impaired SCA entity.
- K. At December 31, 2015, the Company did not hold any investments in any foreign insurance subsidiaries.
- L. At December 31, 2015, the Company did not hold any investments in a downstream noninsurance holding company.

M and N.

At December 31, 2015, the Company did not have any SCA investments.

11. Debt

- A. The Company did not have any items related to debt, including capital notes at December 31, 2015.
- B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2015.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2015 or 2014.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

- (1) The Company had 5,000 shares of common stock with \$.01 par value authorized, with 1,000 shares issued and outstanding at December 31, 2015 and 2014.
- (2) The Company had 50 shares of preferred stock with \$.01 par value authorized, no shares issued and outstanding at December 31, 2015 and 2014.
- (3) Dividend restrictions

Shareholder dividends shall be declared or paid only from earned surplus, unless the Michigan Department approves the dividend prior to payment. Dividends not requiring prior approval are limited to the greater of 10% of the insured's surplus as regards policyholders as of December 31 of the immediately preceding year, or the net income, not including realized capital gains, for the 12 month period ending December of the immediately preceding year. Ordinary dividends are ultimately limited to earned surplus.
- (4) The Company did not pay any dividends in 2015. The Company paid \$2,300,000 as an extraordinary dividend to its parent on May 28, 2014. The Michigan Department approved this distribution on May 14, 2014.
- (5) At December 31, 2015, there was no portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2015 or 2014, except as noted in Note 21.
- (7) Not applicable to the Company.
- (8) The Company did not hold any stock for any special purposes at December 31, 2015 or 2014.
- (9) There were no changes in the balances of any special surplus funds from the prior period.
- (10) At December 31, 2015 and 2014, there was no portion of unassigned funds or surplus that was represented or reduced by unrealized gains and losses.
- (11) The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2015 or 2014.
- (12) The Company did not participate in any quasi-reorganizations during the statement year.
- (13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Contingencies

- A. The Company did not have any contingent commitments at December 31, 2015 or 2014.

- B. The Company did not have any contingent assessments at December 31, 2015 or 2014.
- C. The Company did not have any gain contingencies at December 31, 2015 or 2014.
- D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2015 or 2014.
- E. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.
- F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

15. Leases

The Company did not have any material lease obligations at December 31, 2015 or 2014.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2015 or 2014.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

A. Transfers of receivables reported as sales

- (1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2015 and 2014.

B. Transfer and servicing of financial assets

- (1) The Company's policy for requiring collateral or other security for security lending transactions as required in SSAP No. 103 is discussed in Note 1. The Company did not have any loaned securities at December 31, 2015 or 2014.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2015 or 2014.

- (4) The Company did not have any securitized financial assets at December 31, 2015 or 2014.
- (5) The Company did not have any transfers of financial assets at December 31, 2015 or 2014.
- (6) The Company did not have any transfers of receivables with recourse at December 31, 2015 or 2014.
- (7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2015 or 2014.

C. Wash sales

- (1) The Company did not have any wash sales for the years ending December 31, 2015 or 2014.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

- A. The Company did not serve as an Administrative Services Only for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.
- B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.
- C. The Company did not have any Medicare or other similarly structured cost based reimbursement contracts for the period ended December 31, 2015.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2015 and 2014.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2015 or 2014.

C. Certain of the Company's financial instruments are measured at fair value in our balance sheets. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2015 and 2014 were as follows:

December 31, 2015

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	\$1,498,006	\$1,498,048	\$1,497,047	\$959	-	-
Total	\$1,498,006	\$1,498,048	\$1,497,047	\$959	-	-

December 31, 2014

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	\$1,509,778	\$1,507,910	\$1,152,246	\$357,532	-	-
Total	\$1,509,778	\$1,507,910	\$1,152,246	\$357,532	-	-

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2015 or 2014.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2015 and 2014.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2015 and 2014.

C. Other disclosures and unusual items

(1) Minimum capital and surplus

Under the laws of the State of Michigan, for a health maintenance organization that contracts or employs providers in numbers sufficient to provide 90% of the health maintenance organization's benefit payout, minimum capital and surplus is the greatest of the following: 1) \$1,500,000, 2) 4% of the health maintenance organization's subscription revenue, or 3) three months' uncovered expenditures. At December 31, 2015 and 2014, the Company's capital and surplus exceeded all such requirements.

The NAIC and the State of Michigan adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2015 and 2014, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

(2) Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "Health Care Reform" or "ACA"), enacted in March 2010, has changed and will continue to make broad-based changes to the U.S. health care system. The Company expects Health Care Reform and changes to Health Care Reform to continue to significantly impact the Company's business operations and financial results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform presents the Company with business opportunities, but also with financial and regulatory challenges. Most of the key components of Health Care Reform were phased in during or prior to 2014, including health insurance exchanges ("Public Exchanges"), required minimum medical loss ratios ("MLRs") in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in individual and small group products, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's Centers for Medicare & Medicaid Services ("CMS") quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's financial results. Certain components of Health Care Reform will continue to be phased in until 2020.

The Company is dedicating and will continue to be required to dedicate significant resources and incur significant expenses during 2016 to implement and comply with Health Care Reform and changes in Health Care Reform as well as state level health care reform. While most of the significant aspects of Health Care Reform became effective during or prior to 2014, significant parts of Health Care Reform, including aspects of Public Exchanges, nondiscrimination requirements, reinsurance, risk corridor and risk adjustment, continue to evolve through the promulgation of regulations and guidance at the federal level. It is likely that further changes will be made to Health Care Reform at the federal and/or state level as issues arise and its practical effects become clearer. Growing state and federal budgetary pressures make it more likely that any changes will be adverse to us. As a result, many of the specific aspects and impacts of Health Care Reform will not be known for several years, and given the inherent difficulty of foreseeing how individuals and businesses will respond to the choices afforded them by Health Care Reform, the Company cannot predict the full effect Health Care Reform will have on the Company or the impact of future changes to Health Care Reform. It is reasonably possible that Health Care Reform or changes to Health Care Reform, in the aggregate, could have a significant adverse effect on the Company's business operations and financial results.

Ongoing legislative and regulatory changes to Health Care Reform other pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform (including risk corridors), the 2016 presidential election, pending litigation challenging aspects of the law and federal budget negotiations continue to create uncertainty about the ultimate impact of Health Care Reform. Examples of these legislative and regulatory changes include: the December 2015 suspension of the health insurer fee for 2017 and two year delay of the "Cadillac" tax on high-cost employer-sponsored health coverage; the October 2015 Protecting Affordable Coverage for Employees Act, which leaves

groups with 51 to 100 employees within the large group category for each state unless the state exercises its option to include these groups within the small group category; and the October 2015 HHS announcement that Health Care Reform risk corridor receivables for the 2014 program year would only be funded at 12.6%. The pending litigation includes the House of Representatives' challenge to HHS's ability to make payments under ACA's Cost Sharing Subsidiary program without an explicit appropriation.

As described above, the availability of funding for the ACA's temporary risk corridor program is an example of this uncertainty. In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the ACA's risk corridor program will no longer be limited to the aggregate amount of the risk corridor collections received by HHS over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. In each of December 2014 and December 2015, legislation was enacted that prohibits HHS's use of certain funds to pay HHS's potential obligation under the ACA's risk corridor program. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. As a result, the Company continues to believe that receipt of any risk corridor payment from HHS for the 2015 program year and receipt of such payments in excess of the 12.6% prorated amount for the 2014 program year are uncertain. At December 31, 2015, the Company had no receivable for the remaining 2014 program year prorated amount that had not been collected from HHS and had no receivable for the 2015 program year. In addition, these limited risk corridor payments may create instability in the marketplace for individual commercial products in 2016 and going forward by, among other things, causing health plans to change or stop offering their Public Exchange products. 2016 is the last program year for the ACA's risk corridor program.

The federal and state governments also continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have had a material impact on or could materially impact various aspects of the health care and related benefits system. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations, will change various aspects of the health care and related benefits system or Health Care Reform or the impact those changes will have on the Company's business operations or financial results, but the effects could be materially adverse.

In addition, Health Care Reform ties a portion of Medicare Advantage plans' reimbursement to the achievement of favorable CMS quality performance measures ("star ratings"). Since 2015, only Medicare Advantage plans with an overall star rating of four or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. As a result, the Company's Medicare Advantage plans' operating results in 2016 and going forward will be significantly affected by their star ratings.

- D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2015 or 2014.
- E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2015 or 2014.
- F. The Company did not have any subprime mortgage related risk exposures at December 31, 2015 or 2014.
- G. The Company did not have any retained assets at December 31, 2015 or 2014.
- H. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.

22. Events subsequent

A. Type I - Recognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

The Company had no known reportable recognized subsequent events.

B. Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

The Company had no known reportable nonrecognized subsequent events.

23. Reinsurance

The Company did not have any reinsurance recoverables in dispute, reinsurance assumed, uncollectible reinsurance, commutation of ceded reinsurance, or retroactive reinsurance at December 31, 2015 or 2014.

24. Retrospectively rated contracts and contracts subject to redetermination

- A. and B.
- The Company did not have any retrospectively rated contracts in 2015 or 2014.
- C. Contracts subject to redetermination
- The Company did not have any contracts subject to redetermination in 2015 or 2014.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act
- The Company did not have any medical loss ratios required pursuant to the Public Health Service Act in 2015 or 2014.
- E. Risk Sharing Provisions of the Affordable Care Act
- The Company had no amounts related to the Risk Sharing Provisions of the Affordable Care Act at December 31, 2015.

25. Change in incurred claims and claims adjustment expense

There was no material change in incurred claims and claims adjustment expense at December 31, 2015 or 2014.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2015 or 2014.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

- A. Pharmaceutical rebate receivables
- The Company did not have any pharmaceutical rebate receivables at December 31, 2015 and 2014.
- B. Risk sharing receivables
- The Company did not have any admitted risk sharing receivables at December 31, 2015 or 2014.

29. Participating policies

The Company did not have any participating policies at December 31, 2015 or 2014.

30. Premium deficiency reserves

December 31, 2015

- | | |
|---|------------|
| 1. Liability carried for premium deficiency reserves | \$0 |
| 2. Date of the most recent evaluation of this liability | 12/31/2015 |
| 3. Was anticipated investment income utilized in the calculation? | Yes |

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State regulating?
Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2010

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/25/2012

3.4

By what department or departments?
Michigan Department of Insurance and Financial Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ☐ No ☒

4.12

renewals?

Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums of:

4.21

sales of new business?

Yes ☐ No ☒

4.22

renewals?

Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

5.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
N/A	0	

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:
N/A

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,

7.21

State the percentage of foreign control

0.000%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity
N/A	

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes ☐ No ☒

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
N/A

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒

8.4

If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
N/A					

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main Street, Hartford, CT 06103

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ☐ No ☒

10.2

If the response to 10.1 is yes, provide information related to this exemption:
N/A

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes ☐ No ☒

10.4

If the response to 10.3 is yes, provide information related to this exemption:
N/A

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes ☒ No ☐ N/A ☐

10.6

If the response to 10.5 is no or n/a, please explain:
N/A

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William R. Jones, FSA, MAAA; 151 Farmington Avenue, RE2R; Hartford, CT 06156
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [☐] No [☒]
- 12.11

Name of real estate holding company

N/A
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation

N/A
13.

FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

N/A
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☐] No [☐]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐] No [☐]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐] No [☐] N/A [☒]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:

N/A
- 14.2

Has the code of ethics for senior managers been amended?

Yes [☒] No [☐]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
On September 25, 2015, the Board approved changes to the Code that included: (1) Increased focus and clarity regarding expectations of Aetna's vendors, including vendors to our Medicare business; (2) Increased clarity on the resources available to Aetna's vendors, including vendors to our Medicare business, to report possible compliance violations or business conduct or integrity concerns; (3) Increased clarity on the responsibility to report to, or respond to an inquiry from, a governmental authority about suspected violations of law; (4) Updated guidance on protecting Aetna's and our customers' information; (5) Updated information on Aetna's Medicare Compliance Program; and (6) Numerous non-substantive clarifying and conforming changes and updates to the factual information, such as the level of giving by the Aetna Foundation since 1980.
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

N/A
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [☐] No [☒]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0	N/A		0

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [☒] No [☐]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof?

Yes [☒] No [☐]
18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [☒] No [☐]

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [☐] No [☒]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$0
- 20.12

To stockholders not officers

\$0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21

To directors or other officers

\$0
- 20.22

To stockholders not officers

\$0
- 20.23

Trustees, supreme or grand (Fraternal only)

\$0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [☐] No [☒]
- 21.2

If yes, state the amount thereof at December 31 of the current year:
- 21.21

Rented from others

\$0
- 21.22

Borrowed from others

\$0
- 21.23

Leased from others

\$0
- 21.24

Other

\$0
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [☒] No [☐]
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

\$0
- 22.22

Amount paid as expenses

\$250
- 22.23

Other amounts paid

\$0
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☐] No [☒]

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

INVESTMENT

24.01

Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [X] No []

24.02

If no, give full and complete information, relating thereto:
N/A

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
See Notes to Financial Statement - Note 17, Sale, transfer and servicing of financial assets and extinguishments of liabilities.

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes [X] No [] N/A []

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [] No [] N/A []

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [] No [] N/A []

24.09.

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [X] No [] N/A []

24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes [] No []

25.2

If yes, state the amount thereof at December of the current year:

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$1,150,132

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
N/A		\$0

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes [] No [] N/A [X]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

27.2

If yes, state the amount thereof at December of the current year:

\$0

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

28.01

For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Bank and Trust Company	State Street Financial Center, One Lincoln Street; Boston, MA 02111-2900

28.02

For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
All agreements comply.		

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]

28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
			N/A

28.05

Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
	N/A	

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
	N/A	0
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation
N/A		0	

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	1,498,048	1,498,006	(42)
30.2	Preferred Stocks	0	0	0
30.3	Totals	1,498,048	1,498,006	(42)

30.4 Describe the sources or methods utilized in determining fair values:
Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximated fair value. The carrying value of cash equivalents approximated fair value.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:
N/A

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:
N/A

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
N/A	\$ 0

34.1 Amount of payments for legal expenses, if any? \$ 0

34.2 List the name of the firm and the amount paid if any such payment represented25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
N/A	\$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
N/A	\$ 0

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes []

No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$

0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

0

1.31

Reason for excluding:

N/A

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2 above.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

\$

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

\$

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

\$

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

\$

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

0

\$

0

2.3

Premium Ratio (2.1/2.2)

\$

0.000

\$

0.000

2.4

Reserve Numerator

\$

0

\$

0

2.5

Reserve Denominator

\$

0

\$

0

2.6

Reserve Ratio (2.4/2.5)

\$

0.000

\$

0.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes []

No [X]

3.2

If yes, give particulars:

N/A

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes []

No [X]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes []

No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes []

No [X]

5.2

If no, explain:

The Company does not have stop loss reinsurance.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

0

5.32

Medical Only

\$

0

5.33

Medicare Supplement

\$

0

5.34

Dental and Vision

\$

0

5.35

Other Limited Benefit Plan

\$

0

5.36

Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

The Company does not currently sell to or insure members in Michigan.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X]

No []

7.2

If no, give details

28

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

N/A

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

8.2 Number of providers at end of reporting year

9.1 Does the reporting entity have business subject to premium rate guarantees?

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

10.2 If yes:

10.21 Maximum amount payable bonuses

10.22 Amount actually paid for year bonuses

10.23 Maximum amount payable withholds

10.24 Amount actually paid for year withholds

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or,

11.14 A Mixed Model (combination of above)?

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4 If yes, show the amount required.

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

11.6 If the amount is calculated, show the calculation

See Notes to Financial Statement - Note 21. Other Items. C.. Other Disclosures.

12. List service areas in which reporting entity is licensed to operate:

1

Name of Service Area

Macomb, St. Clair, Wayne

Partial: Monroe, Oakland

13.1 Do you act as a custodian for health savings accounts?

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

13.3 Do you act as an administrator for health savings accounts?

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other
N/A	0		\$ 0	\$ 0	\$ 0	\$ 0

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1 Direct Premium Written

15.2 Total Incurred Claims

15.3 Number of Covered Lives

0

0

Yes [] No [X]

\$ 0

\$ 0

Yes [] No [X]

\$ 0

Yes [] No [] N/A [X]

Yes [] No [X]

Yes [X] No []

Yes [] No [X]

Yes [X] No []

\$ 1,500,000

Yes [] No [X]

Yes [] No [X]

\$ 0

Yes [] No [] N/A [X]

\$ 0

\$ 0

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

28.1

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Michigan corporation)**

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	1,506,085	1,514,059	3,818,895	3,801,333	3,774,489
2. Total liabilities (Page 3, Line 24).....	770	380	7,677	7,346	10,557
3. Statutory minimum capital and surplus requirement.....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4. Total capital and surplus (Page 3, Line 33).....	1,505,315	1,513,679	3,811,218	3,793,987	3,763,932
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	0	0	0	0	(443)
6. Total medical and hospital expenses (Line 18).....	0	0	0	(2,234)	(1,059)
7. Claims adjustment expenses (Line 20).....	0	0	0	0	0
8. Total administrative expenses (Line 21).....	19,655	5,054	10,894	7,408	8,037
9. Net underwriting gain (loss) (Line 24).....	(19,655)	(5,054)	(10,894)	(5,174)	(7,421)
10. Net investment gain (loss) (Line 27).....	6,980	8,845	35,124	51,412	50,891
11. Total other income (Lines 28 plus 29).....	(126)	0	0	0	0
12. Net income or (loss) (Line 32).....	(8,364)	2,461	15,155	30,335	28,527
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(13,214)	6,300	24,807	28,336	26,675
Risk-Based Capital Analysis					
14. Total adjusted capital.....	1,505,315	1,513,679	3,811,218	3,793,987	3,763,932
15. Authorized control level risk-based capital.....	5,767	5,839	9,173	9,435	8,925
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	0	0	0	0	0
17. Total member months (Column 6, Line 7).....	0	0	0	0	0
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	0.0	0.0	0.0	0.0	239.1
20. Cost containment expenses.....	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses.....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23).....	0.0	0.0	0.0	0.0	(1,575.2)
23. Total underwriting gain (loss) (Line 24).....	0.0	0.0	0.0	0.0	1,675.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	0	0	0	(2,234)	(180)
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	0	0	0	0	879
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....	0	0	0	0	0
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....	0	0	0	0	0
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....	0	0	0	0	0
30. Affiliated mortgage loans on real estate.....	0	0	0	0	0
31. All other affiliated.....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [☐] No [☐]

If no, please explain:

Statement as of December 31, 2015 of the Aetna Health Inc. (a Michigan corporation)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only							
				2	3	4	5	6	7	8	9
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2.	Alaska.....AK	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.	Arizona.....AZ	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.	Arkansas.....AR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.	California.....CA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.	Colorado.....CO	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.	Connecticut.....CT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.	Delaware.....DE	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.	District of Columbia.....DC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
10.	Florida.....FL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
11.	Georgia.....GA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12.	Hawaii.....HI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13.	Idaho.....ID	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
14.	Illinois.....IL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
15.	Indiana.....IN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
16.	Iowa.....IA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
17.	Kansas.....KS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
18.	Kentucky.....KY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
19.	Louisiana.....LA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
20.	Maine.....ME	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
21.	Maryland.....MD	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
22.	Massachusetts.....MA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
23.	Michigan.....MI	...L.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
24.	Minnesota.....MN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
25.	Mississippi.....MS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
26.	Missouri.....MO	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
27.	Montana.....MT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
28.	Nebraska.....NE	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
29.	Nevada.....NV	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
30.	New Hampshire.....NH	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
31.	New Jersey.....NJ	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
32.	New Mexico.....NM	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
33.	New York.....NY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
34.	North Carolina.....NC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
35.	North Dakota.....ND	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
36.	Ohio.....OH	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
37.	Oklahoma.....OK	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
38.	Oregon.....OR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
39.	Pennsylvania.....PA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
40.	Rhode Island.....RI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
41.	South Carolina.....SC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
42.	South Dakota.....SD	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
43.	Tennessee.....TN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
44.	Texas.....TX	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
45.	Utah.....UT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
46.	Vermont.....VT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
47.	Virginia.....VA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
48.	Washington.....WA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
49.	West Virginia.....WV	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
50.	Wisconsin.....WI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
51.	Wyoming.....WY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
52.	American Samoa.....AS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
53.	Guam.....GU	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
54.	Puerto Rico.....PR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
55.	U.S. Virgin Islands.....VI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
56.	Northern Mariana Islands.....MP	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
57.	Canada.....CAN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58.	Aggregate Other alien.....OT	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
61.	Total (Direct Business).....	(a).....1	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

DETAILS OF WRITE-INS									
58001. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58002. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58003. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58998. Summary of remaining write-ins for line 58.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 thru 58003 + 58998).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

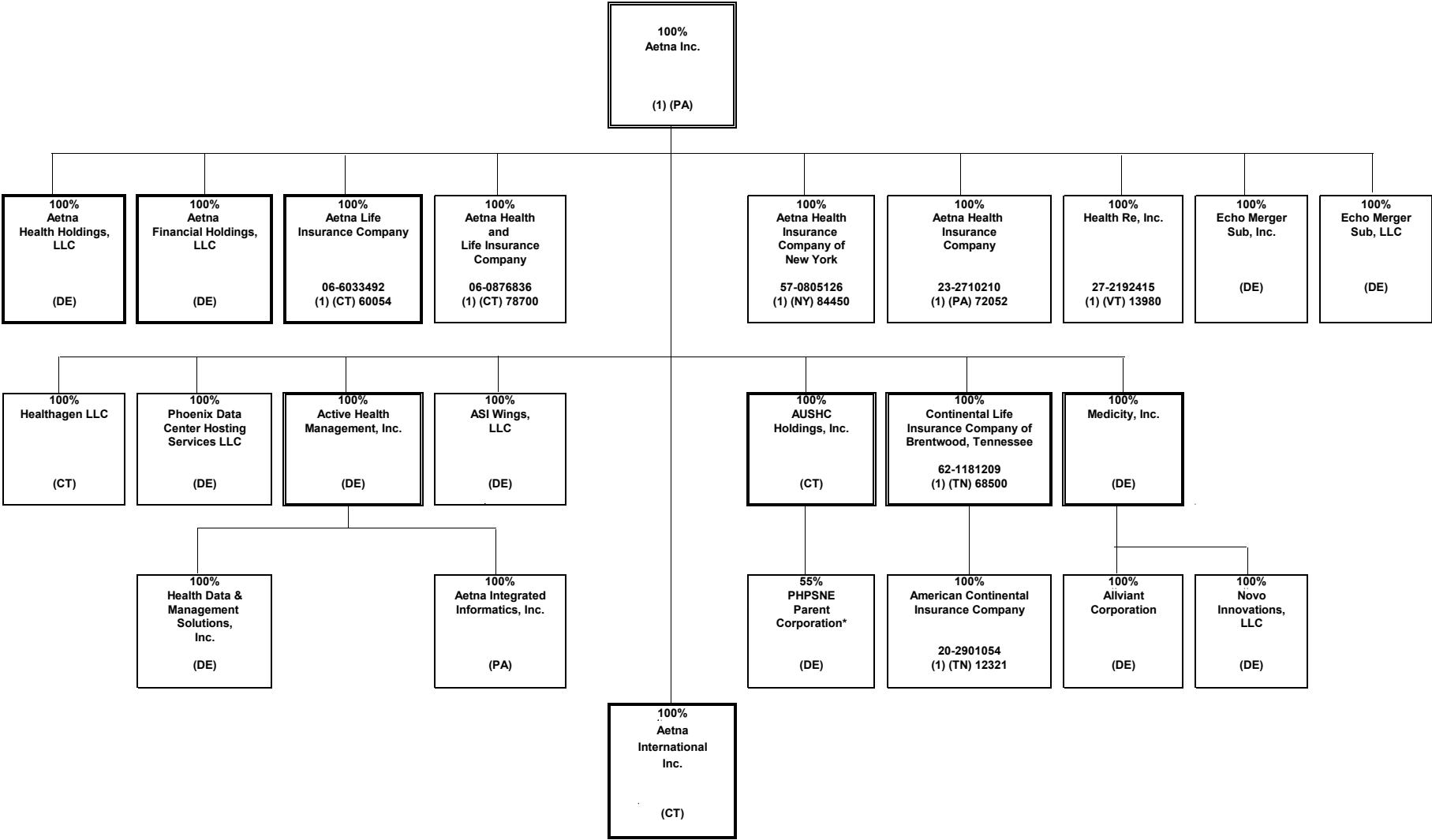
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

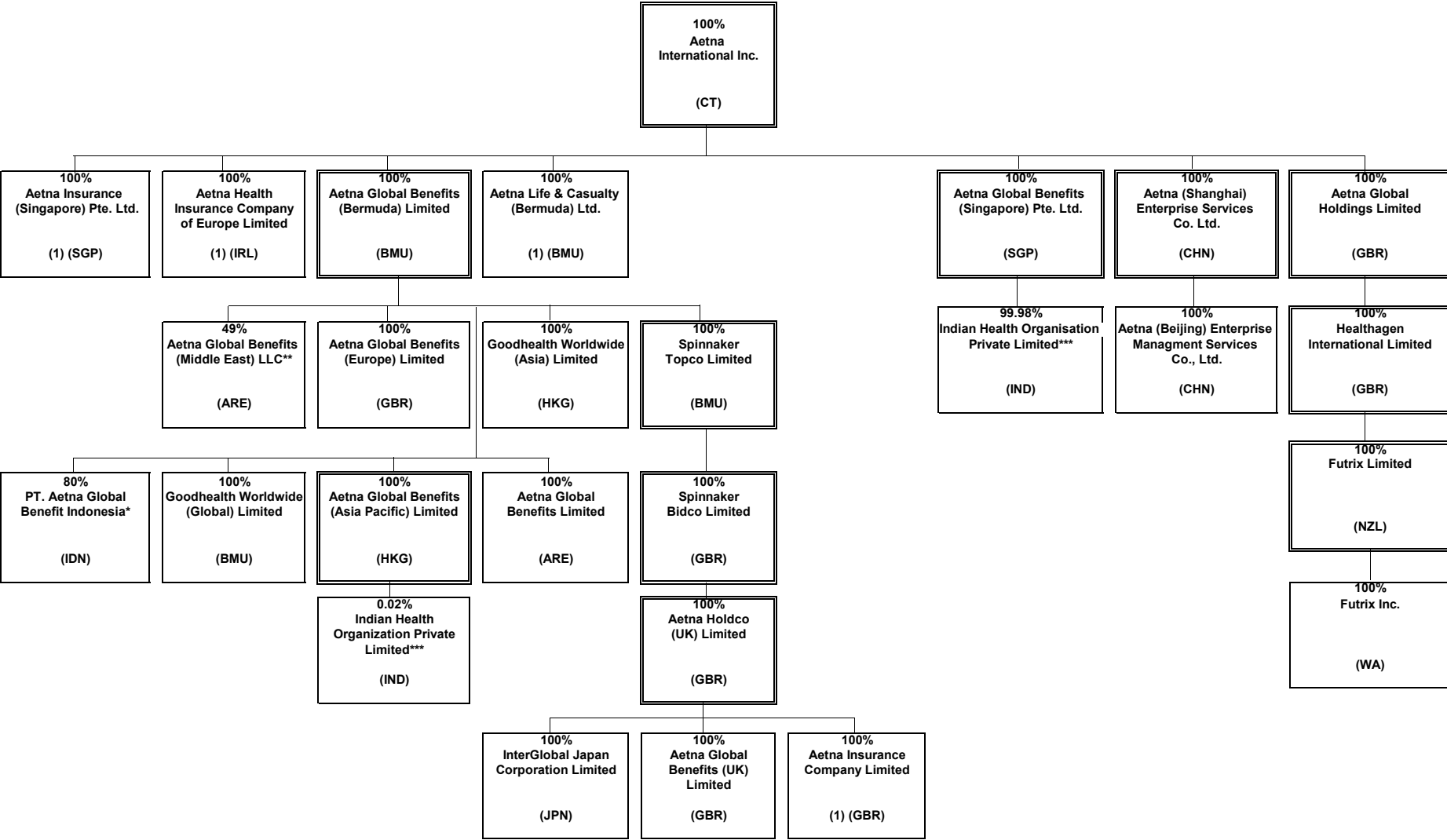


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

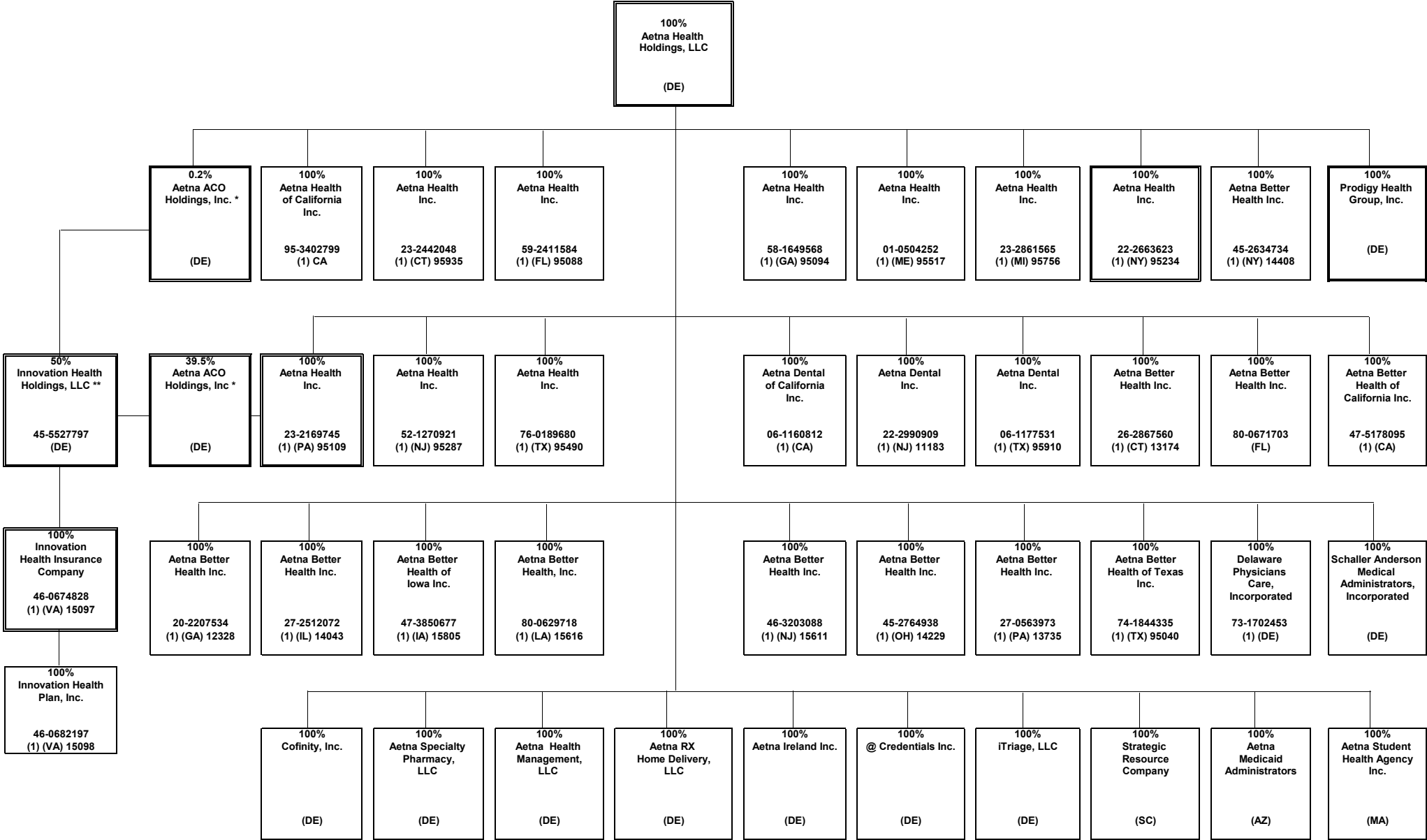
PART 1 - ORGANIZATIONAL CHART



*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
** Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

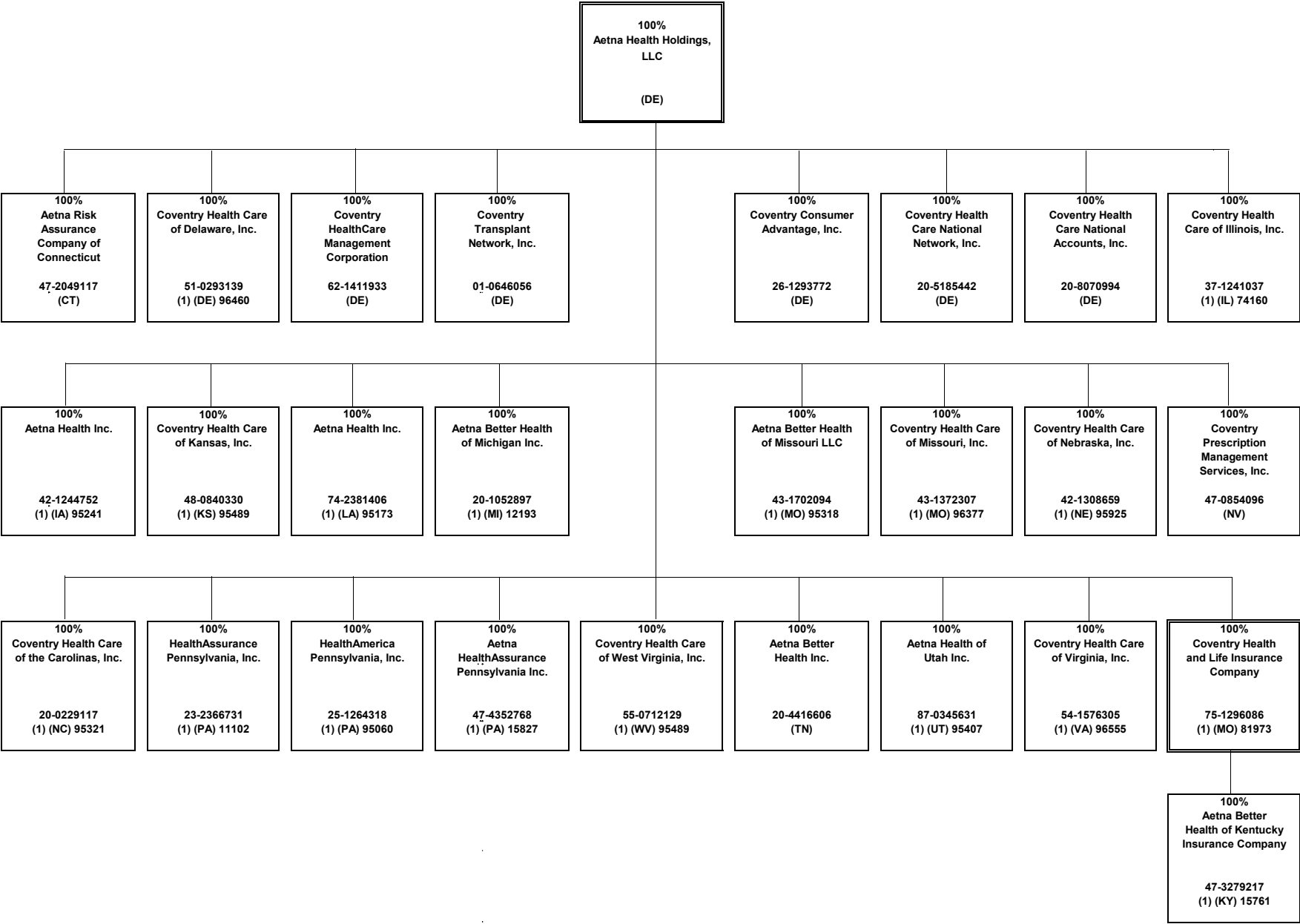
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

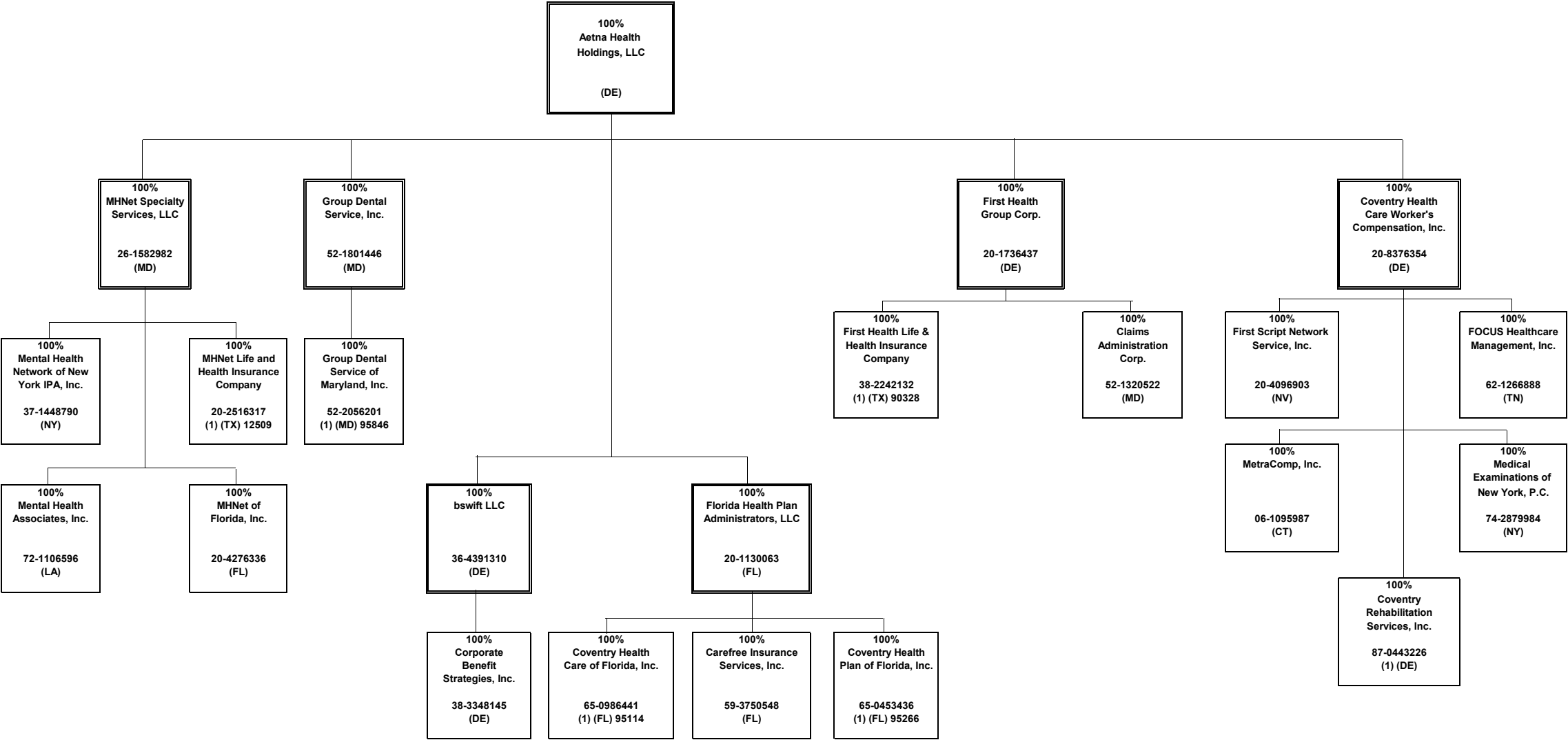
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



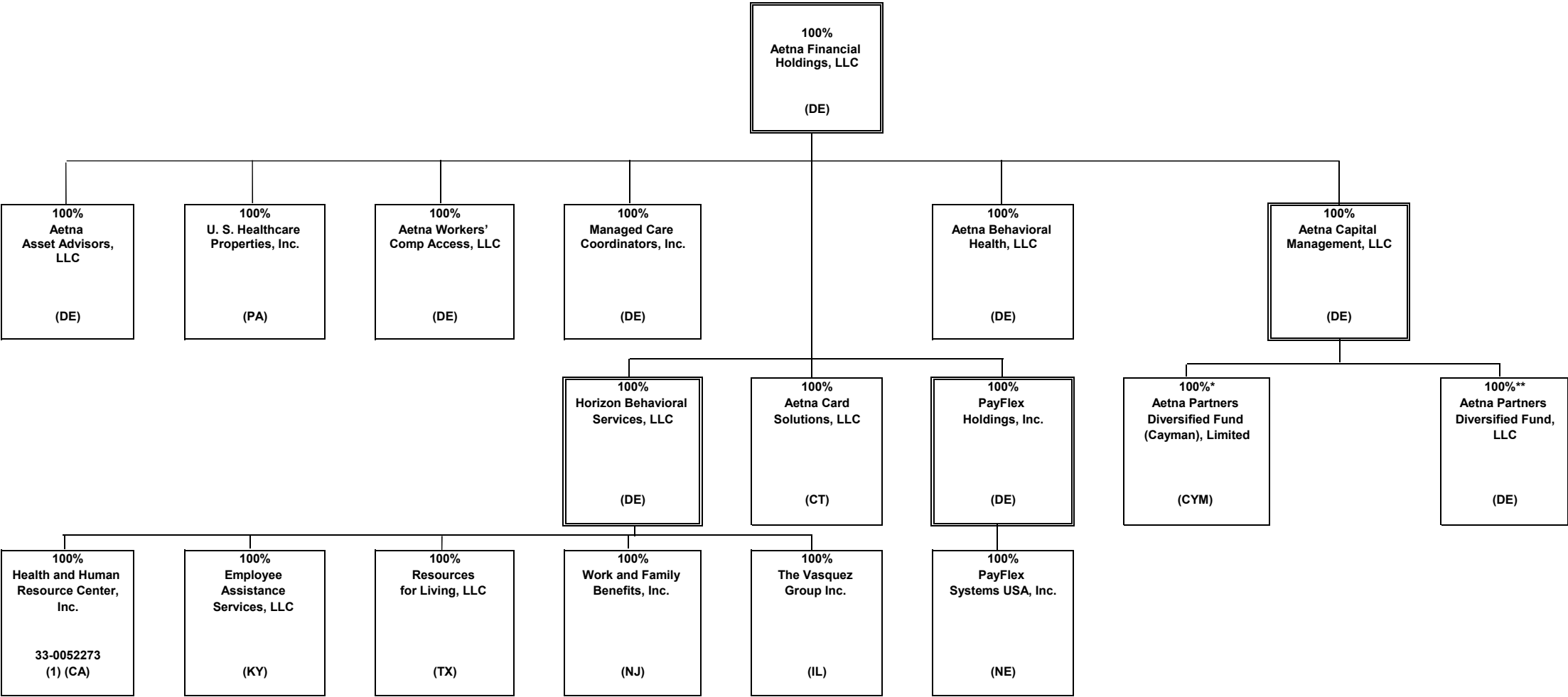
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

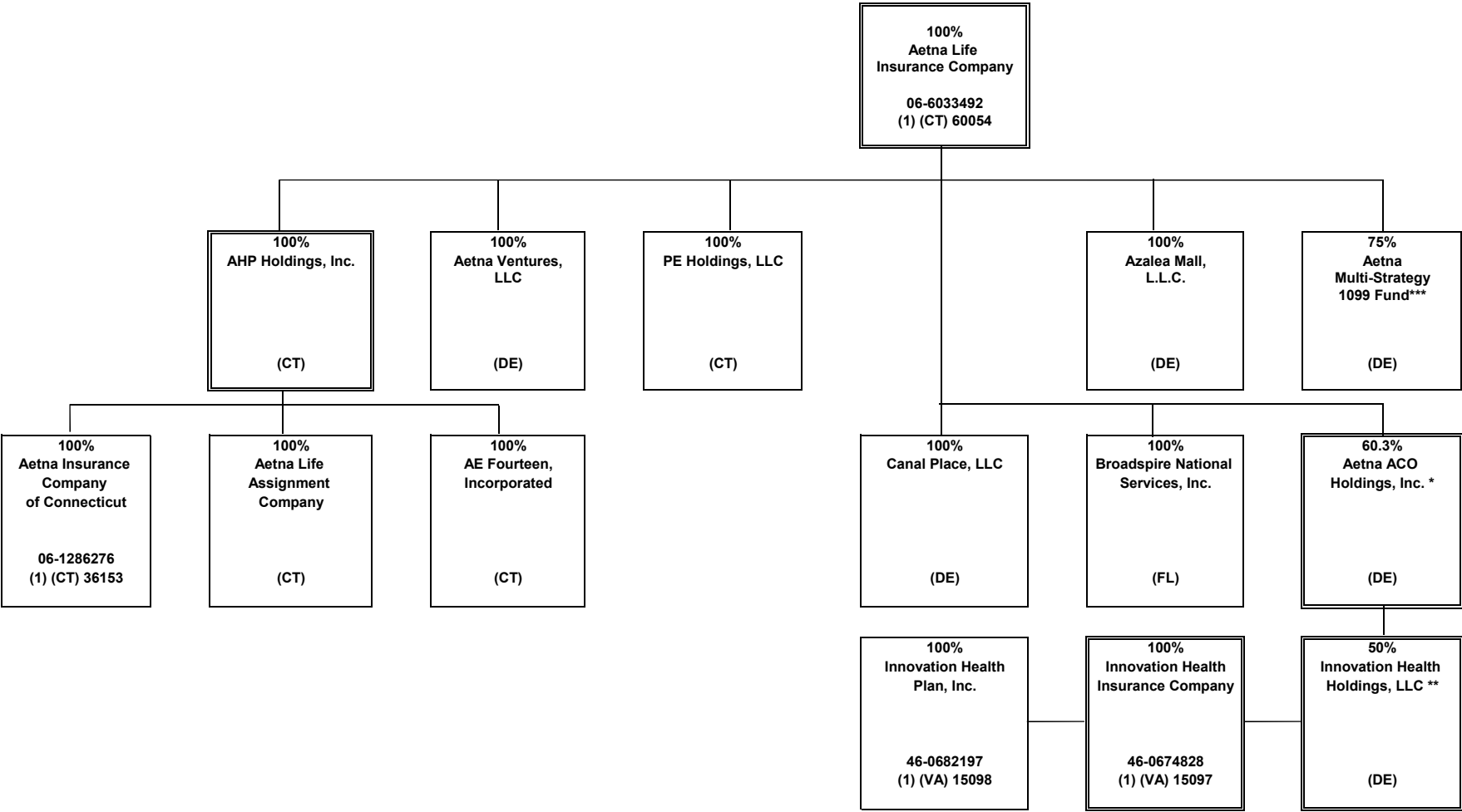


* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.

** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

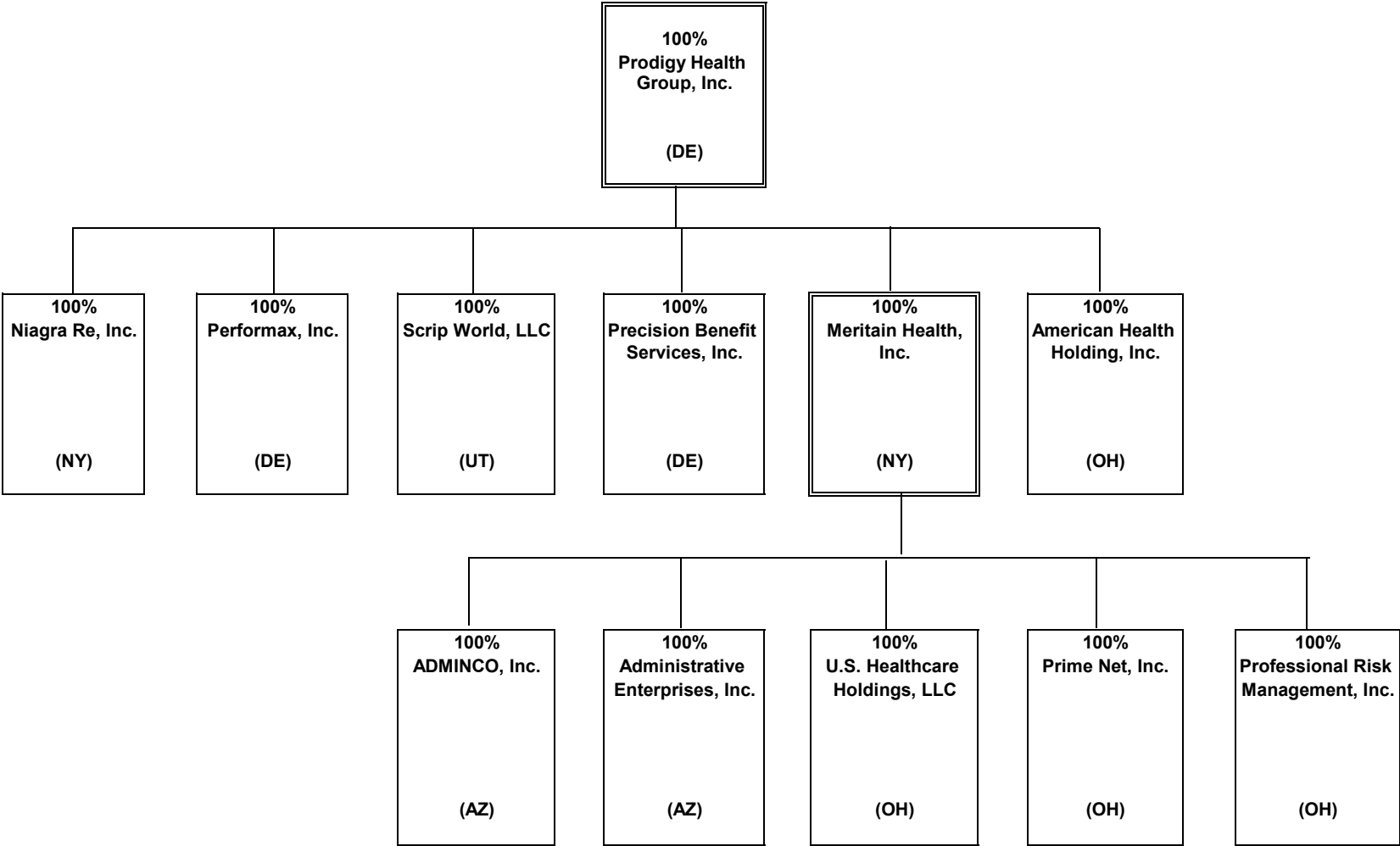
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
***75% is invested and owned by Aetna Life Insurance Company and 25% is invested and owned by external accredited investors.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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